



Serving Our Community



Annual Report 1998-1999

City of San Jose 1998-99

STATISTICAL PROFILE

CITY FACTS

Incorporated	March 27, 1850
Form of Government	Council-Manager
Population	909,100
Rank in U.S.	11th largest city
Land Area (square miles)	176.6
Cultural Festivals	37
Arts Groups (approximate)	125
Parks Area (acres)	3,620
Sworn Fire Personnel	683
Sworn Police Personnel	1,372

CLIMATE

Average Days of Sunshine	300
Average Rainfall (inches)	14.4
Average Temperature (degrees)	71
Median Age	32.2

FINANCIAL DATA

Median Family Income	\$58,476
Standard & Poor's Bond Rating	AA
Moody's Investors Service Bond Rating	AA

CITY FACILITIES

Fire Stations	31
Number of Parks	208
Libraries	19
Municipal Golf Courses	1
Recreation Centers	16
Senior Centers	5
Community Gardens	5
Teen Centers	9
Miles of Streets	2,200
Airport Area (acres)	1,050



Purpose Our Mission

The City of San José provides excellent municipal services to its diverse residents and visitors. City employees are committed to maintaining excellence and efficiency in the delivery of services by treating all people with understanding, dignity and respect.

San Jose MAYOR & CITY COUNCIL



RON GONZALES
MAYOR



FRANK FISCALINI
VICE MAYOR, DISTRICT SIX



LINDA J. LEZOTTE
DISTRICT ONE



CHARLOTTE POWERS
DISTRICT TWO



CINDY CHAVEZ
DISTRICT THREE



MARGIE MATTHEWS
DISTRICT FOUR



MANNY DIAZ
DISTRICT FIVE



GEORGE SHIRAKAWA, JR.
DISTRICT SEVEN



ALICE WOODY
DISTRICT EIGHT



JOHN DIQUISTO
DISTRICT NINE



PATRICIA DANDO
DISTRICT TEN

Message From THE MAYOR

Our mission as a city government is to protect and improve the quality of life for San Jose residents and businesses, and to do it efficiently and responsively. Whether it is neighborhood investments, crime prevention, or traffic relief, these services really are about the ways our fine City staff works with our community partners to deliver the result of a better San Jose for all of us.

This annual performance report is about the results of our combined efforts. We can talk about municipal services, policy directions, and budgets in the language of government, but these gain meaning when people in our community can see the difference our City's programs make on their streets, parks and neighborhoods. When they can see their community is becoming a healthier and safer place to live and work. When they find they are getting genuine value for the tax money they entrust to us.

During my first year as Mayor of San José, I have found that our community is very fortunate. We have an outstanding team of dedicated employees in every City department who are committed to public service and to assuring that San Jose is a great place to live, work and do business.

I have also found there is always room for improvement, as there is with any organization. I know we can do a better job for the quality of life for the people of San Jose by deliberately focusing on our performance, how we measure our progress, and our



investment in results. We will look for creative methods to improve the quality and reduce the costs of City services. And, we will continue to work in close association with our neighborhoods, businesses and community partners to achieve goals that benefit all of us and would not be possible by working separately.

Based on the strong foundation we already have, I know we can look forward to annual performance reports in the future that will show even better results achieved by the City of San José.

A handwritten signature in black ink that reads "Ron Gonzales". The signature is written in a cursive, flowing style.

Ron Gonzales
Mayor

Message From THE CITY MANAGER

Change is one dynamic we can all rely on in life. Our lives, our local landscapes, and the world are constantly changing, and it's no different with the City of San José.

This past year has been an exciting time filled with new ideas and forward momentum for our organization. A new mayor and two new councilmembers joined eight continuing members to bring a fresh approach and changing priorities to the City. And our organization and operations have evolved as we seek better ways to serve the changing needs of our residents.

As San Jose's new City Manager, I take a great deal of pride in the professional reputation our city organization has earned across the nation. Much of the success of this past year resulted from the leadership provided by Assistant City Manager Debra J. Figone, who served as Acting City Manager during this transitional period. And in the Fall of 1999, Susan F. Shick took over as executive director of the Redevelopment Agency, assuring additional change, energy and initiatives for our downtown and for our neighborhoods.

Readers will discover many noteworthy projects detailed inside this report. We reached a significant milestone in our City's history when the City Council approved funds to build a new City Hall and civic center. Our Y2K effort to ensure that essential City services continue uninterrupted in January when the calendar changes from 1999 to 2000 is also on schedule.

The new Teacher Housing Initiative will help attract and retain



educators in a tight housing market. The Police Department's new deployment plan will allow officers to spend more time in the neighborhoods they serve and reduce emergency response times. And significant new retail projects coming online will provide exciting new shopping opportunities while strengthening our economic future. Building on efforts begun in recent years, the City's Investing in Results program is focusing every City department on evaluating, streamlining and developing measures for the core services our residents expect.

Change is essential as we approach the new millennium. The changes undertaken this year are far-reaching, and underlying each of them – from new projects to new staff – is a commitment to excellence in public service for everyone who works and lives in San Jose.

A handwritten signature in black ink, appearing to read "Del D. Borgsdorf". The signature is fluid and cursive, with a large, stylized "D" at the beginning.

Del D. Borgsdorf
City Manager

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1 Livable



Neighborhood Revitalization

Affordable Housing

Library Improvements

San Jose Prepared!

The 909,000 people who call San Jose home represent a rich and diverse cultural heritage. The city is a blend of distinct neighborhoods spread throughout its 175 square miles. Keeping its neighborhoods strong and livable creates the glue that holds its community together. Creating safe places for all of its residents to live and play ensures that San Jose remains a rich vibrant community.

One key strategy in maintaining the livability of our City is to ensure that growth is managed in a manner consistent with the City's long term objectives. This year the Department of Planning, Building and Code Enforcement received the prestigious Distinguished Leadership Award for



Outstanding Achievement in Public Planning from the American Planning Association's Northern California chapter. The association's highest award, it recognized San Jose as a leader in developing plans and policies designed to manage growth consistent with the City's objectives for sustainability, economic development, neighborhood quality, and environmental protection.

Neighborhood Revitalization

Our innovative and highly successful Neighborhood Revitalization Program continues to break new ground, strengthen neighborhoods and address crime and other ills, by bringing committed people together. Using a collaborative effort, many of our City departments and neighborhood residents and businesses work together to improve the quality of life, and in the long term to create healthier neighborhoods.

The Neighborhood Revitalization Strategy aims to: improve neighborhood conditions; create a community where residents feel connected and in control of their own neighborhood; and make changes that are long-term and sustainable. A guiding principle of this strategy is to increase efficiency by using existing resources and leveraging other non-City resources.

In targeted neighborhoods, City employees work with an advisory group, comprised of community leaders. Together they develop a Neighborhood Revitalization Plan, which details community issues and proposed solutions.

The Housing Department may help out with the financing of affordable housing units, while the actual planning process would be conducted by staff in Planning, Building and Code Enforcement. Solutions for other neighborhood issues may involve the efforts of the anti-graffiti program in Parks, Recreation and Neighborhood Services or the Police Department's Truancy Abatement Program.

Revitalization plans were previously completed in the Poco Way, Arbuckle and Santee neighborhoods. In October 1998, the City Council approved revitalization plans for the University Neighborhood (including South Campus, East Campus, North Campus, Naglee Park and Paseo) and the Washington Neighborhood (including Washington/Guadalupe, Tamien, Cottage Grove/Pomona, Goodyear/Mastic and Alma/Almaden neighborhoods).

In 1998-99, the independent Mayfair Collaborative was developed. While the City did not spearhead efforts in the Mayfair neigh-

borhood, City staff is working directly with the Collaborative to implement a plan to revitalize the neighborhood. To date, this collaborative planning process has resulted in significant improvements in several neighborhoods. During the past fiscal year, the Washington and University neighborhoods each received grants for alleyway improvements, and new traffic signals have been added or are in the works. A host of other improvements include abandoned vehicle removal, a new youth center, tree trimming and planting, and new playground turf.

Affordable Housing

The City's Department of Housing celebrated its 10th year of operation and a *Decade of Affordable Housing* in September 1998. During that time, the Department has assisted in developing and rehabilitating more than 8,500 housing units, which helped more than 28,000 people find housing and resulted in more than \$1 billion in construction activity.

Affordable housing is a high priority here in Silicon Valley, where every city is facing a housing crunch. San Jose continues to be a leader in this area by encouraging the development of housing for lower-income families and by assisting developers to move these projects from the drawing board to reality.

During the past fiscal year, 1,612 affordable housing units and 595 market rate units were

completed. An estimated 950 units received funding assistance from the Department of Housing. In addition, more than 460 units were rehabilitated and more than 1,267 units received paint grants.

A partial list of recently completed projects includes: Stonegate Apartments, The Enclave, The Verandas, Almaden Lake Village, Villa Savannah, Arbor Terraces and Parkview Seniors.

The Department of Housing won several awards during the past year including: the U.S. Department of Housing and Urban Development (HUD) Best Practices Award for the City's Poco Way project; the California Redevelopment Association Award for Ohlone Court development; and awards of merit in the Project Design-New Project 1999 Pacific Southwest Regional Council of National Association of Housing and Redevelopment Officials (NAHRO) for The Enclave.

Library Improvements

Two significant branch library construction projects moved on a fast-track during the fiscal year. On April 4, 1998 a community fiesta officially kicked off construction for the new Biblioteca Latinoamericana, which is scheduled to open in the Fall of 1999.

Biblioteca first opened in 1976, after many years of fund-raising and much effort from community volunteers. The new facility, with 15,000 square feet, will be the largest branch in San Jose's Public Library System. When completed, Biblioteca will hold one of the largest Spanish language collections of any public library branch in California. It also will house a diverse collection of bilingual and English language materials, a technology area, and a comprehensive collection on Latin cultures and countries.

It is located in the Washington Gardner area, where the community's population is 65% Hispanic and a high percentage of families report Spanish to be the primary language in the home. Biblioteca will meet the unique needs of this community and of our region at large.



The second branch construction project to get under way was the Alviso Library and Community Center. In 1996, the San Jose Public Library System was awarded a \$1 million Community Development Block Grant for construction of a larger, more contemporary Alviso Library and Community Center to serve this rapidly growing area in north San Jose.

The new facility, which will triple the size of the existing wooden structure built in 1935, will house 14,000 volumes, a technology center, tutoring room and the Alviso historical collection. The combined library and community center will provide an exciting opportunity for the Library and Parks, Recreation and Neighborhood Services to jointly work to serve the Alviso community.

Moreland Community Center

In December 1998, the City Council approved a \$2 million project to build a community center at Castro Middle School in partnership with the Moreland School District. Under this innovative partnership, the 18,000-square-foot center will be used during the day as a



gym for middle school students, and then will be transformed into a community center for after-school and summer youth and adult programs.

This collaborative effort between the City and the school district will provide West San Jose residents with their first full-service community center to meet arts and recreational needs. The new community center will enhance the lives of students and youth in the community through programs and activities designed to increase academic performance and reduce neighborhood crime, delinquency and truancy.

The new building will house a gymnasium, two multi-purpose rooms, a lobby area, a basketball court, bleachers, a pull-out stage for performances, City office space, restrooms, a kitchen, and an outdoor patio.

Under the partnership, school officials will be responsible for design and construction, and maintenance of the center after it is completed. The City will provide a Community Center director and staff, and a comprehensive program of sports, recreational and cultural activities.

The first community classes were held at the site in early 1999. The center is scheduled to be fully operational by the Summer of 2000.

Joint Library Project

The City and San José State University have embarked on an unprecedented project to combine resources to create a single library building serving both the University and City communities.

The past year saw a number of milestones for the Joint Library project. A number of public forums were held to begin addressing the many issues raised by moving the resources of two separate systems into one facility. These forums allowed public input into the process and answered questions on both the library project and the design of reference services for the new facility.

The schematic designs for the new building were completed and the City Council, the University and the Redevelopment Agency approved operating and development agree-

ments. The design development phase of the planning process was also completed, and the review of construction documents is under way.

In early Summer 1999, the State legislature approved \$171 million for the Joint Library, from funds approved by voters in a November bond measure. In March, San José State University successfully raised the first \$1 million of their \$10 million fund-raising goal with a gift from the David and Lucile Packard Foundation.

The Joint Library continues to gain national recognition as an exciting library project. San Jose residents can be proud of the innovation of both their City and University.

Seismic Retrofit Program

Taking the lead in making housing units in our community as safe as possible, San Jose was the first city in the state to address the need for seismic retrofit of apartment buildings that by design are particularly vulnerable to earthquake damage.

The Office of Emergency Services formed a partnership with San José State University to create *The Apartment Owner's Guide to Earthquake Safety*, written by Professor Steven Vukazich. The document is considered a landmark by the State Office of Emergency Services, which has requested permission to print and distribute it statewide. A partnership with the Tri-County Apartment Association ensured wide publicity for the guide, resulting in more than 300 requests for copies in its first year of publication.



San Jose Prepared!

San Jose Prepared! is our community-based Emergency Response Team. This program has trained more than 650 volunteers to provide assistance in their own neighborhoods during emergencies and disasters, including 200 new graduates during this past fiscal year. More than 300 team and community members participated in the City's annual team training exercise in FY 1998-99.

As a stand-by volunteer group, they are available to augment the efforts of public safety professionals during disasters, including collecting rapid damage assessment information, and providing direct services to affected neighbors. Recognizing that these skills are applicable in smaller emergencies, during the past year San Jose Prepared! team members assisted at house fires and traffic accidents, using skills that will be essential in earthquakes and other large emergencies.

San Jose's team was the first in the state to receive financial support from FEMA, based on the program's conformance to national guidelines.

Volunteers in the program receive 16 hours of initial training, following FEMA guidelines. They continue to participate in annual exercises and educational opportunities, such as Leadership Forums added to develop specialized skills in program graduates. A quarterly newsletter keeps graduates informed of team activities and educational opportunities, and celebrates the successes of team members in using their skills to serve their own individual neighborhoods.





Collaboration Between Schools and City
Teacher Housing
Safe Schools Initiative
Youth Arts Demonstration Project

2

Creating Opportunities for YOUTH

THE SOUL OF ANY COMMUNITY IS REFLECTED IN THE OPPORTUNITIES AND EXPERIENCES IT CREATES FOR ITS FUTURE - THE YOUTH OF TODAY. SAN JOSE IS A CITY DEDICATED TO PROVIDING THE BEST POSSIBLE TRAINING GROUNDS FOR THE YOUNG PEOPLE OF OUR COMMUNITY, AND TO WORKING COLLABORATIVELY WITH OTHER AGENCIES AND INSTITUTIONS THAT SUPPORT YOUTH.

Our children have consistently been a top priority for the City Council. An array of programs offer arts and recreational opportunities for San Jose's youngsters, and provide the appropriate intervention strategies for teenagers and other youth needing positive direction. This year the City added two new programs to its youth-focused vision to help recruit and retain quality teachers at San Jose schools - an approach that in the long term will benefit our youth and everyone in our community.

Collaboration Between Schools and the City

Making positive and lasting changes for the youth in our community, the City teamed up with local partners to form the San Jose Schools/City Collaborative.

Established in 1997, the Collaborative brings together City departments, City Council, School Districts, and community-based organizations around five common areas of interest relative to youth. By partnering with one another, pooling resources, and



developing collective strategies, we are moving from basic information sharing to policy and systems changes that will ultimately lead to healthier communities, healthier kids, and a more dynamic city.

At the heart of the program are the following five focus areas: before-and after-school programming; funding and resources; joint planning and facility use; safety and violence prevention; and youth employment.

Members of the Collaborative work in groups to look at each of these areas and come up with strategies for positive change. This year, the Before- and After-School Programming group, for instance, developed preferred standards for before- and after-school programming. Examples of these standards include commitments to: lowering student-teacher ratios; streamlining training for any staff working with youth; and maintaining facility space availability after school hours. The standards were presented to school superintendents and the City Council in Fall 1999.

Under the auspices of the Collaborative, this work group wrote the standards into a



grant submitted to the State Department of Education's After School Learning and Safe Neighborhoods Partnership Program. In June, the state awarded a total of \$5.4 million for three years to all 23 sites requesting funds, including 19 elementary and four middle schools in six school districts. The grant, combined with the 50% matching funds, raises the entire allotment to \$10.8 million over three years.

San Jose LEARNS starts in the Fall of 1999 with Parks, Recreation, and Neighborhood Services, the Library, Girl Scouts, the YMCA, and an array of other community partners providing literacy, enrichment, arts, and recreation activities after school.



The Collaborative's purpose is to build positive working relationships among San Jose's 19 school districts, City departments, and community-based organizations so that collaboration becomes a natural way of conducting business.

Teacher Housing

Taking a bold new approach to attract and retain quality teachers, the City of San José implemented a program in April 1999 to help school teachers buy homes at a time when our city is experiencing a tight and competitive housing market.

The Homebuyer Program for San Jose Public School Teachers is an innovative new program designed to put the cost of a home within reach of public school teachers, who typically make far less than our area's high-tech workers. Teachers who qualify can apply

for 100% financing of their first home in San Jose, up to \$240,000.

Over the first 10 years of the loan, the buyer would pay on only 80% - 85% of the first mortgage loan. In addition, the City provides a zero-interest, down-payment loan of up to 3% of the home's purchase price up to \$7,200. This loan would be repayable in 30 years. To take part in the Homebuyer Program, teachers must meet eligibility requirements, including household income limits. This program is expected to help up to 240 households during its first year.

Combating Truancy to Reduce Crime

Recognizing that young people who graduate from high school are 65% less likely to become involved in crime, the Police Department operates a successful ongoing program to help keep teenagers in school and out of trouble.

The Truancy Abatement Burglary Suppression (TABS) Program was launched in 1981 to reduce truancy, which has been directly linked to daytime burglaries. Statistics show that most burglaries occur between 8 a.m. and 4 p.m., and that many burglars are



of school age. When the program began, there was a marked decrease in the number of daytime burglaries in San Jose. TABS personnel work closely with the Juvenile Probations Department as well as the District Attorney's Office. Community-based organizations include: Alum Rock Counseling Services, California Youth Outreach, Catholic Charities, Vietnamese Volunteer Association, UJIMA Adult and Family Services, and the Cross Cultural Community Service Center.

During 1998-99, 6,576 students were picked up by TABS officers. The TABS program results not in the arrest of more teenage burglars, but in keeping them in school - and removing the opportunity to commit burglaries. San Jose operates two truancy centers, where detained students are taken for counseling before returning to school or to a parent's care.

Reducing Student Absenteeism

The Police Department also operates another program aimed at lowering absentee rates among San Jose students. The Student Habitual Absentee Reduction Program (SHARP) is a collaborative effort between the Police, the Franklin-McKinley School District and the Santa Clara County Probation Department.

The program was established to reduce or eliminate excessive absences through a team approach. By reducing absenteeism, the agencies involved hope to make regular on-time attendance a habit, to increase academic achievement, and to reduce related social problems. During FY 1998-99, 13 schools referred 126 students, with an average truancy rate of 18%, to the program. After 30 days, that rate dropped to 1.4% and after 60 days, it dropped to less than 1%.

SHARP Team members conduct home visits to involve parents in truancy reduction strategies. If home visits do not succeed, the students' parents are required to attend a School Attendance Review Board, where formal accountability is designated. If parents

ignore the problem, charges can be filed by the District Attorney's Office.

Because the program has been so successful, it is being expanded to five schools in the Alum Rock School District.

Safe Schools Initiative

To maintain our schools as havens of safety, the Safe Schools Initiative was developed with the Eastside Union High School District. The program established a multi-agency emergency response protocol for critical incidents at schools.

This is an ongoing project bringing together the Police Department's Community Services Division, the Department of Parks, Recreation and Neighborhood Services, and three high school districts. In FY 1998-99, more than 100 potentially violent situations were defused through early intervention. The program was expanded to include San Jose Unified and Campbell High school districts.

Arts Express

Exposure to the arts helps enrich the lives of the youth of our community. The Arts Express Program completed its 21st consecutive year of offering exposure and enrichment programs in the performing, visual and literary arts for students in grades four through 12 from San Jose and other Santa Clara County schools. The program, facilitated by the Office of Cultural Affairs, is an ongoing collaboration between arts organizations, the



schools and the City. All programs are free to schools.

In 1998-99, the program served 25,700 students with performing and visual arts experiences provided by 38 arts organizations offering 115 separate activities and events.

Many of the providers offer study materials to teachers to better prepare students for the events they attend and some providers send docents to classrooms to discuss the programs.

Arts programs typically take place at City-owned venues in downtown San Jose, with programming provided by local professional arts organizations, which receive operating grants through the City's annual Arts Grants Program. Direct City funding of \$45,000 covers the costs of ushering services, stage hands, designing and printing program brochures, and special equipment rentals. In addition, the City provides rental subsidies for those facilities owned and operated by the City: the Center for the Performing Arts, Montgomery Theater and the Civic Auditorium Complex.

Youth Arts Demonstration Project

The Youth Arts Demonstration Project was established by the Office of Cultural Affairs in 1997-98 as a two-year pilot project to address a critical citywide need for after-school programs for young people, and specifically a shortage of arts activities. Well-designed arts programs play an important role in engaging young people in positive after-school activities.

This project was provided in conjunction with the School Age Growth and Enrichment (SAGE) program run by the Department of

Parks, Recreation and Neighborhood Services, as well as branches of the San Jose Public Library, and San Jose school sites with established after-school programs.

The project's primary goals were to engage youth directly in the creative process over an

extended period of time, and to evaluate the effectiveness of various program models to guide development of future programs.

During the last fiscal year, the program went

through its second phase. Five arts organizations received grants totaling \$96,480 to provide a total of 44 workshops and served 983 youth. Eleven after-school sites were selected to receive a series of three six- to eight-week workshops during the year. Eleven others received one or two workshops. The arts organizations selected to participate in the project were: American Musical Theatre; MACLA - Center for Latino Arts; San Jose Institute of Contemporary Art; San Jose Multicultural Artists Guild; and San Jose Museum of Art.





3 Delivering



Delivering Public Safety Services
Vehicle Stop Demographic Study
Citizen Complaints
Medical Priority Dispatch System
Family Violence Center

San Jose is continuing to be proactive in maintaining our reputation as one of the safest big cities in the country. Our police department is a leader in many important areas, such as response strategies for domestic violence and mentally disturbed person incidents. In addition, the department this year has taken a national leadership role in the fight against racial profiling to ensure that all residents and visitors are treated fairly and equally when traveling San Jose streets. The Police Department also excels at state of the art interactive training techniques in a new facility that serves San Jose Police, as well as other law enforcement agencies.

Our Fire Department is dedicated to providing public education, fire prevention and emergency response services. The Department responded to more than 58,000 calls for emergency service last year.

Fire Station 31 opened in October in the Evergreen area to expand the department's ability to effectively respond to emergency needs throughout the city. The Department's Training Bureau provides citizen CPR classes.

Vehicle Stop Demographic Study

San Jose is taking a proactive approach to the nationwide issue of racial profiling, which has recently been the focus of debate in communities and police departments throughout the nation. This type of profiling occurs when a police officer initiates a traffic stop based mainly upon the race of the driver. The belief of some that such stops are made on a routine basis has caused obvious concern within many communities.

Our Police Department decided to take the initiative and voluntarily track and review traffic stops in San Jose. The purpose of this review is threefold: to learn more about the types of traffic stops being made by San Jose police officers; to see if any traffic stops appear to be based solely upon an individual driver's racial background; and if a pattern emerges that causes concern, to look at what additional training and supervision might be necessary.



While many law enforcement agencies have been hesitant to conduct this kind of survey, the San Jose Police Department recognizes that if some members of our community perceive a racial profiling problem exists in San Jose, those concerns must be addressed.

The department prides itself on being a professional agency that truly has grasped the concept of what community policing is all about. Our police officers want San Jose citizens to know they are concerned about the issues and problems affecting the quality of their daily lives.

Citizen Complaints

When it comes to reviewing citizen complaints, the Police Department is committed to a system that maintains the utmost integrity. As a result, new procedures and policies were undertaken this past fiscal year to speed up the investigation and processing of complaints.

Under the new procedure, all complaints are classified and assigned for investigation within 30 days. A backlog of pending cases was successfully eliminated during FY 1998-99. Complaints involving the use of force are given the highest priority. The goal for completing all investigations was shortened from 365 days to 300 days.

In March 1999, the Department began using a new computer database to track all complaints filed with the Office of the Independent Police Auditor and the Professional Standards and Conduct Unit. There were 359 formal complaints filed during 1998, a 20 percent reduction from the previous year.

Medical Priority Dispatch System

San Jose's Medical Priority Dispatch System allows incoming emergency calls for service to be screened and prioritized by severity and need at an earlier stage.

In August 1998, the Fire Department began a new tiered response program to better serve those residents needing emergency services. This tiered response program allows dispatch-

ers to determine in advance the appropriate mode of response for Fire Department, as well as ambulance vehicles, a Code-2 versus a Code-3, for instance.

By prioritizing calls for service, the Fire Department is better able to manage its limited emergency equipment and personnel resources. Pre-arrival instructions assist callers in providing medical assistance prior to the arrival of first responders.

Paramedic Staffing

As part of the Fire Department's commitment to respond to life-threatening emergencies as quickly as possible, the number of paramedics was increased during the last fiscal year to staff four additional fire companies. This increase in service contributed to faster response times on emergency calls.

During FY 1998-99, the Fire Department responded to 40,740 calls for emergency medical services. On average, a fire unit was on the scene of a medical emergency within 4 minutes and 24 seconds after receiving the call for assistance.

In about 10 percent of medical calls the patient is a youngster, and in the past year, the Department enhanced its ability to treat juvenile patients. All Advanced Life Support engine and truck companies are now equipped with special "pedi-boards" to facilitate the care of severely injured youngsters, and special training on emergency medical treatment for severely injured juveniles has been provided.

Following an analysis of patterns in emergency medical calls, the four busiest truck companies were assigned paramedics and outfitted with Advanced Life Support medical equipment and supplies, improving the quality of medical care available from the first responding unit. This has also increased the number of paramedics available at incidents involving multiple patients. In the first 12 months since implementation, truck companies treated almost 1,300 patients, including 355 who required Advanced Life Support.

Metropolitan Medical Task Force

Unfortunately, we live in a world where we can no longer ignore the possibility of terrorism striking close to home and San Jose has taken a leadership role in working with the federal government in this new area of emergency preparation.

The Metropolitan Medical Task Force and Response System is one way the City of San José has prepared to deal with such a major emergency. Directed by the Office of Emergency Services, this team works in partnership with other local agencies to prepare for response should a terrorist incident occur.

By emphasizing the importance of dual-use equipment, the Task Force has not only prepared to deal with a terrorist event, but has also enhanced response capabilities for other types of multiple casualty incidents and hazardous materials incidents. Along with the dual use concept, another hallmark of San Jose's program is the high degree of cooperation across professions and levels of government.

This effort has brought together onto one team San Jose's Police and Fire Departments, and Office of the City Manager; four county organizations: Public Health, Emergency Medical Services, Valley Medical Center and the Medical Examiner/Coroner; and private businesses, such as ambulance companies and hospitals.

The Task Force developed a plan that has been used as the model for most other U.S. cities with a similar task force in place, and San Jose's program has been nominated for the annual Outstanding Public Program Award of the American Society for Public Administration.

As part of this effort, the Task Force received Department of Defense training on nuclear, biological and chemical weapons of mass destruction. It developed a unique cache of equipment using \$900,000 from the U.S. Departments of Defense, Health and Human Services, and Justice.

Police Redistricting

In March 1999, the Police Department instituted a Redistricting Project. The new

deployment plan expands the Department's commitment to Community Policing while providing our residents with the highest level of police performance.

The redistricting plan includes: increasing the number of police districts from 12 to 16, and addition of two radio channels; reducing the size of police beats to enable beat

officers to become closer to the neighborhoods they serve; reducing response times to calls for service; giving officers additional time to complete community policing endeavors; and equalizing each beat officer's work load.



Family Violence Center

The Police Department has taken a proactive and collaborative approach to identifying and responding to domestic violence issues in our community.

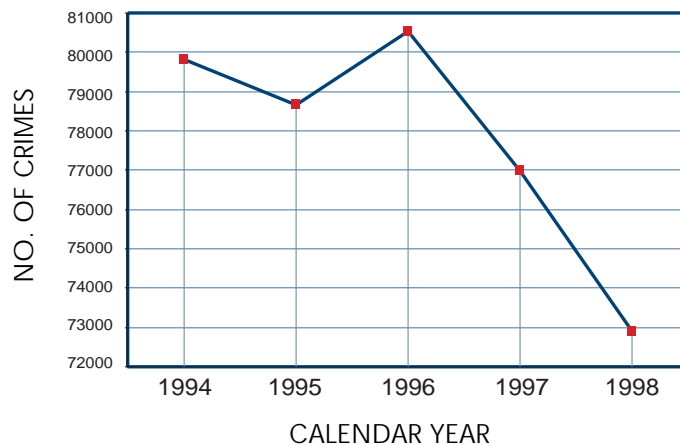
The Family Violence Center provides a “one-stop shopping” concept for victims of family violence. The Center, which opened in 1997, is staffed with investigators who work the crimes of domestic violence, stalking, threats of terror, restraining order violations, and child and elder/dependent adult abuse. The Center also houses representatives from the District Attorney’s Office, Child Protective Services, Adult Probation, and Next Door, Solutions to Domestic Violence.

During FY 1998-99, the Police Department’s Family Violence Unit received 6,238 domestic violence-related cases, 2,799 cases of dependent abuse (including child abuse, elder abuse and dependent adult abuse), and 2,037 cases of stalking, threats of terror and restraining order violations.

The Family Violence Unit also oversees the Domestic Violence Response Team, a new



pilot project concentrated in two police districts in Southeast San Jose. When a call of domestic violence is received by Police, two Response Team advocates respond to the scene within 30 minutes. They provide immediate as well as long-term crisis intervention in the immediate aftermath of an incident. They also provide service referrals, such as crisis counseling, emergency shelter, and legal assistance. The City Council appropriated \$200,000 for this pilot program.



CITYWIDE
CRIMES DURING
THE PAST FIVE
CALENDAR YEARS



4

Supporting Our Local BUSINESSES



Free Parking

Retail Accomplishments

First Employment Program

Small Business Loans

BUSINESS IS BOOMING IN SAN JOSE AND IN THE GREATER SILICON VALLEY. AS OUR ECONOMY GROWS AND PROSPERS, THE CITY HAS TAKEN THE INITIATIVE TO SUPPORT LOCAL BUSINESSES AND MEET THE NEEDS OF OUR EXPANDING COMMUNITY. THE OFFICE OF ECONOMIC DEVELOPMENT PROMOTES SAN JOSE'S BUSINESS CLIMATE, NOT ONLY TO NATIONAL COMPANIES LOOKING TO RELOCATE HERE, BUT TO THE INTERNATIONAL COMMUNITY AS WELL.

Forbes magazine, in a recent feature dubbed "Boomtowns U.S.A.," ranked the 15 best cities in which to do business. San Jose weighed in at Number Eight, receiving top marks for its recreational opportunities, and was described as "off the charts" in venture capital investment and high tech manufacturing. Forbes reported that in the fourth quarter 1998, Silicon Valley received just over \$1.2 billion in venture capital, accounting for 33 percent of the nation's venture capital overall.

San Jose's economic base includes a number of high tech clusters, among them: pharmaceuticals; computers and office equipment; communications equipment; electronic components; guided missiles, space vehicles; search and navigation equipment; measuring and control devices; medical instruments; computer and data processing; and research and testing.

San Jose actively supports its business community in several ways. The City has initiated programs to put businesses in touch with qualified employees and to provide small business loans. In the North First Street area, where many of our high tech companies are headquartered, the Rincon Pump Station was constructed to provide better flood protection. Designed and constructed on an accelerated schedule, the new pump station was completed in time to provide drainage relief before the winter storms of late 1998 and early 1999. Rincon is one of the largest pump stations in San Jose, with a peak discharge capacity of more than 150,000 gallons per minute.

Free Parking

Significant strides were made last year in addressing the increased demand for parking in the downtown area, where many of our parking facilities, both public and private, are at or nearing capacity. In time for the 1998 holiday season, the City began offering free parking in the evenings, on weekends and on holidays at three City garages and two Redevelopment Agency surface lots. *The Free Parking Program* was expanded in the Spring of 1999 to include two additional Redevelopment Agency facilities.

The *Free Parking Program* is a key part of the Redevelopment Agency's proposed Retail Implementation Strategy for the downtown area. The strategy seeks to create a vibrant daytime and nighttime shopping district combining restaurants and entertainment venues with a pedestrian-scale retail streetscape. To support this strategy and other downtown parking needs, two additional garages, the Block 3 Garage and the 4th/San Fernando Garage are slated for completion in FY 2001-2002.

In addition to these efforts, the City, working with public and private partners in the downtown area, expanded the free DASH shuttle that runs from the edge of downtown, where less expensive parking is available, through the downtown core and to the Caltrain station.

Retail Accomplishments

To ensure the smooth processing of permits for significant new retail efforts in the City, the Office of Economic Development worked closely with other City departments, including Planning, Building and Code Enforcement, Public Works, Fire and the Redevelopment Agency.

Retail uses in San Jose provide significant sales tax revenue to the City and provide residents with locations to meet their shopping needs. Several large retail projects moved forward during the 1998-99 fiscal year.

The best known of these was the expansion of the Valley Fair shopping center. A new parking structure opened in May 1999, and a second is expected to open in November, before the holiday season. Together they will provide 2,200 new parking spaces. Future phases of the project will bring a new 225,000 square-foot Nordstrom store. When completed, the project will contain 1.8 million square feet of building area and 7,100 parking spaces.

The new owner of the Oakridge Mall shopping center is considering a remodel and expansion that would replace the existing cinema with a major new multi-screen movie theater, expand the Macy's store, and add another new department store.

Renovation plans for the Town and Country Shopping Center also moved forward, with the new owners expecting to begin construction soon. When completed, the project will contain nearly 600,000 square feet of retail, restaurant and entertainment uses, as well as 1,200 housing units.

The Almaden Plaza shopping center completed a successful remodel to accommodate several new stores. This is now a thriving shopping center with excellent visibility and access from Highway 85 and Almaden Expressway.

First Employment Program

The First Employment Program links San Jose residents, particularly our disadvantaged and less skilled residents, with private sector jobs in the City. The City's Office of Economic Development maintains a database of job openings and puts businesses in touch with the nonprofit organizations that provide interview candidates.

This program is dedicated to helping Silicon Valley companies find qualified local residents to fill job openings and to assist with training needs. It is a one-stop brokerage service, with a community-wide network of training organizations, schools, community-based organizations, Private Industry Councils, and other resources. The program can also help save time and money by assisting businesses with accessing tax credits and other benefits.

Since the program began in 1997, 236 San Jose residents have been hired, with an average pay of more than \$10 per hour. There are 36 community-based organizations participating in the program, including Sacred Heart Community Services and the Council on Aging. This is a free service to businesses.

Small Business Loans

Dozens of San Jose businesses have taken advantage of the City's programs to provide business-friendly loans. Run by the Office of Economic Development in cooperation with local commercial lenders and other agencies,

this program provided 40 loans totaling \$2,140,950 during the last fiscal year. All loans went to local small businesses, helping to create 109 new jobs.

San Jose offers three separate programs to serve start-ups and nontraditional businesses, which may find it difficult to qualify for traditional financing. Programs cater to businesses needing loans that are smaller than those normally offered to businesses, near "bankable" businesses requiring loan guarantees, and operations looking to expand that need big-ticket items such as land, equipment or machinery.

Tax Amnesty Program

The City's Finance Department initiated a three-month tax amnesty program in September 1998, which allowed small businesses that were unaware of the City's business tax requirement to avoid penalties while coming into compliance.

The program waived penalties and interest, and in some cases waived one year of taxes due, for business owners who underpaid or never paid their business tax, or who were delinquent with tax payments. Some 6,600 businesses took advantage of the program, bringing roughly \$1.8 million additional business tax revenue to the City coffers.

International Program

The wide recognition of our area as the home of high tech, coupled with the entrepreneurial spirit of our region, is attracting growing interest in San Jose and the Silicon Valley from throughout the world. The Office of Economic Development hosts nearly 100 foreign government and business delegations annually, representing more than 40 nations.

In 1998-99, these meetings included groups from Japan, China, Korea, Taiwan, Australia, Thailand, Malaysia, Egypt, Scotland, Northern Ireland, Malta, France, Norway, Portugal, Switzerland, Germany and Canada. The *International Program* operates an export assistance program for San Jose companies, manages the City's Foreign Trade Zone, and works with international businesses investing in San Jose.





Route 87 Freeway Project
Traffic Access Study
VTA/SJC Airport Flyer

5

Keeping Our Community MOVING

BUSINESS IS BOOMING IN SAN JOSE AND IN THE GREATER SILICON VALLEY. OUR THRIVING ECONOMY AND THE PULL OF WORK IN THE HIGH-TECH INDUSTRY HAVE PUT STRAINS ON AREA TRANSPORTATION SYSTEMS. CREATING TOMORROW'S POSSIBILITIES BEGINS WITH MEETING TODAY'S TRANSPORTATION DEMANDS.

The irony facing the Capital of the Silicon Valley is that our success in one area adds stress in another. As our economy continues to thrive and attract more businesses to San Jose, the pressure on our traffic infrastructure builds, as well. In the past year, San Jose has taken significant steps to improve our transportation systems with such projects as the Route 87 upgrade and the Skyport Bridge construction. These improvements will help ease traffic flows for a growing number of air travelers using San Jose International Airport.

Two major projects in the North First Street area will better serve the needs of our local high-tech businesses and their employees.

Street maintenance also received a boost from federal grants and the local Measure A/B program. As a result, San Jose will receive about \$42 million over the next four years, complementing the City's ongoing effort to keep our streets in good condition.

Skyport Bridge

The Airport completed construction of a new Skyport Bridge in December 1998. When work on the Guadalupe Freeway is completed, this urban interchange will serve as the primary Airport access, providing significant traffic relief. Located directly across from Terminal C, the Skyport Bridge is scheduled for connection with a detour road during the first phase of the Highway 87/Guadalupe Parkway Improvement Project in Fall 1999.

Route 87 Freeway Project

To ease traffic flows entering and leaving the Airport, the City has been working to transform Guadalupe Parkway into a six-lane

freeway stretching from Julian Street to Highway 101.

Significant progress was made on the Route 87 Freeway Project during the past fiscal year. In addition to constructing the Skyport Bridge, the Public Works Department modified Coleman Avenue to create an on-ramp to Route 87 and demolished the Taylor Street Bridge, all part of the City's efforts to create improved freeway access from downtown to

the airport. The Women's Residential Center, a County detention facility, was demolished to make way for the new freeway, and a new center was built in a different location.

As part of the project, Caltrans completed acquisition of the freeway right-of-way and began construction

on the Guadalupe Parkway detour road between Interstate 880 and Highway 101, which is now open. In late 1999, the new Skyport Bridge is scheduled to be open to traffic from Guadalupe Parkway to the Airport. The entire \$200 million freeway project, which is being paid for by federal, state and City funds, will be completed in phases over the next few years.

Free VTA/SJC Airport Flyer

To address limited Airport parking space and congested roadways, a free bus service between the Metro Light Rail Station, Airport terminals, and the Santa Clara Caltrain station was established in April 1998.

As part of the Airport's efforts to reduce the impacts from traffic congestion and to improve air quality, the City partnered with Santa Clara Valley Transportation Authority (VTA) to provide this free service.





Since the program began, shuttle ridership has averaged some 30,000 riders per month, a 150% jump in ridership over the prior VTA route serving the Airport. During the busy 1998 holiday season, more than 2,000 customers per day used the free shuttle.

A recent VTA rider survey was quite encouraging, indicating a high level of satisfaction with the quality and reliability of this service. Between 80% and 90% of those surveyed rated the service either good or excellent.

In addition to increasing the hours and frequency of service, VTA changed the bus route to serve the greatest number of potential riders.

In a related effort to reduce traffic congestion, the Airport provided all 4,500 tenant employees with an annual EcoPass to encourage the use of public transportation. The EcoPass allows tenant employees to use any of VTA's transit services at no cost.



Traffic Access Study

As part of its commitment to ensure improved traffic flow around the Airport, the City Council approved an agreement in October 1998 to prepare a Terminal Area Concept & Transit Access Plan.

The plan has two goals: 1) to refine the future layout and design of the new terminal area facilities; and 2) to create a ground transportation plan to improve surface access and public transit services.

The result will be a comprehensive traffic plan for roadway and transit systems that will improve traffic conditions as the Airport expansion moves ahead. The study will analyze a series of alternatives including: single- and multiple-level roadways; road-based transportation modes; an Automated People Mover system; and regional transit connections to Light Rail and Caltrain.

Tasman Drive Bridges Constructed over Coyote Creek

As one of the high-tech centers driving our region's economic engine, the North San Jose area is also experiencing high levels of traffic. The Tasman Drive Bridges Project between Zanker Road and Interstate 880 eased a significant bottleneck when it opened this past fiscal year. The two new bridges provide better traffic circulation in the area for Cisco Systems on the west side of Coyote Creek, and the Milpitas Business Park and McCarthy Ranch on the east side of the creek. Each bridge currently accommodates four lanes of traffic, but is designed to ultimately accommodate six lanes of traffic.

The design and construction work involved a cooperative effort with the City of Milpitas, Santa Clara Valley Transportation Authority (VTA), Cisco Systems, Santa Clara Valley Water District, California Department of Fish and Game, U.S. Army Corps of Engineers, and various roadway and light rail design consultants.





Protecting Endangered Species

Protecting San Francisco Bay

Park Interpretive Programs

Environmentally Friendly Vehicles

6

Protecting Our

ENVIRONMENT

SAN JOSE LIES AT THE HEART OF A BEAUTIFUL, FERTILE VALLEY. THE SURROUNDING HILLS, PARKS AND LAKES MAKE UP THE CHARACTER OF OUR LANDSCAPE AND CONTRIBUTE TO OUR QUALITY OF LIFE AND RECREATIONAL ENJOYMENT. PROTECTING AND MAINTAINING THESE RICH RESOURCES FOR FUTURE GENERATIONS HAS ALWAYS BEEN A PRIORITY FOR THE CITY OF SAN JOSE. THROUGH OUR POLICIES AND PROGRAMS WE STRIVE TO REUSE AND RECYCLE THE EARTH'S RESOURCES, AND TO PREPARE AND EDUCATE TOMORROW'S ENVIRONMENTAL STEWARDS THROUGH VARIOUS EDUCATIONAL PROGRAMS.

San Jose lies at the heart of a beautiful, fertile valley. The surrounding greenbelt of hills, parks and lakes contribute to our quality of life and provide a range of recreational opportunities. Protecting and maintaining this beauty for future generations has always been a priority for the City of San José.

The greenbelt also serves as a constant reminder that recycling and reuse are critical steps toward preserving natural areas here and throughout the world. Many of the products used in our homes and businesses are made from natural resources such as forests, petroleum, and aluminum. City residents and small businesses can take advantage of one of the nation's most innovative curbside recycling programs, which accepts newspaper, mixed paper, plastics, glass bottles and jars, cans, motor oil, and a score of other commodities. Yard trimmings are collected, mulched, and then used in parks throughout the city or sold to commercial landscapers. San Jose is striving to divert 50% of its solid waste from landfills by the end of 2000. Currently it is at about 43%, compared to 28% in 1990.

Our water recycling program continues to expand as more local businesses with large landscape irrigation needs choose to participate. In 1998-99, San Jose recycled 3.5 million gallons of water per day during the 6-month

dry weather season. This effort helps protect wildlife habitat around San Francisco Bay.

Park Ranger Interpretive Programs

The City of San José provides a free *Water Awareness Program* for students in grades five through seven. This interpretive program, conducted by park rangers and funded by the Environmental Services Department, is designed to promote water awareness and prevent stormwater runoff pollution. The everyday use of vehicles, fertilizers, and insecticides leaves residue on our streets and yards, which runs off into gutters during the rainy season and is taken through storm sewers to local creeks, rivers, and the Bay. Oil, paint and other toxic substances also may be illegally dumped into the storm drains and be carried to streams.

Junior Ranger programs are held in almost every regional park. This free program for children from 6 to 10 years old is grooming the future caretakers and stewards of our environment. During the eight-week program, our junior rangers learn a new subject each week, from caring for an animal or exploring a creek habitat to protecting the environment and conserving natural resources.





Driving environmentally friendly vehicles

The City saw continued success with the expansion of its Alternate Fuel Vehicle Program in 1998-99. The program is operated by the Fleet Management division of General Services and is committed to providing vehicle alternatives that are environmentally friendly and practical for our users. Technology for alternate fuel vehicles has finally caught up to fleet use. We are now seeing vehicles that are practical for our needs and also enhance our strong commitment to preserving the environment. The City of San José owns or leases nearly 100 alternate fuel vehicles. These vehicles sweep our streets, haul refuse from



our parks, stripe our roads, serve our parking control efforts, mobilize our building trades personnel, and transport our engineers, architects, environmental staff, fire inspectors and many other employees.

During this past year, the City's Fleet Management evolved as one of Toyota Motor Corporation's premier RAV4 electric vehicle service providers. As a service provider, the City of San José provides maintenance and repair to all the Northern California RAV4 electric vehicles including the 17 leased by the City.

Fleet Management also promoted clean air vehicles by participating in several events including the Clean Cities Clean Fuel Event and the Earth Day Celebration.

Our Clean Fleet

San Jose began using clean air vehicles in 1978 and has since expanded its use of environmentally friendly vehicles. Today, the City owns or leases nearly 100 alternate fuel vehicles, primarily powered by compressed natural gas or electricity. These vehicles perform many more tasks than simply transporting employees from one location to another.

ELECTRIC POWERED VEHICLES

Toyota RAV4s 17

COMPRESSED NATURAL GAS VEHICLES

Cargo and Passenger Vans 14

Three-Wheel Scooters 11

Street Sweepers 4

Paint Striper 1

Refuse Collection 1

BI-FUEL VEHICLES:

NATURAL GAS AND GASOLINE

Pickup Trucks 29






Sedans 20

TOTAL 97



Recycle Statistics

During FY 1998-99, City of San José recycling programs diverted thousands of tons of materials from single and multi-family homes away from the landfill.

Yard trimmings		123,000 tons
Glass		10,000 tons
Mixed paper		35,000 tons
Newspaper		28,000 tons
Mixed recyclables <i>(plastics, glass and steel food and household product containers, textiles, packaging, scrap metals)</i>		18,000 tons

Water - 3.5 million gallons per day
(during average summer months)

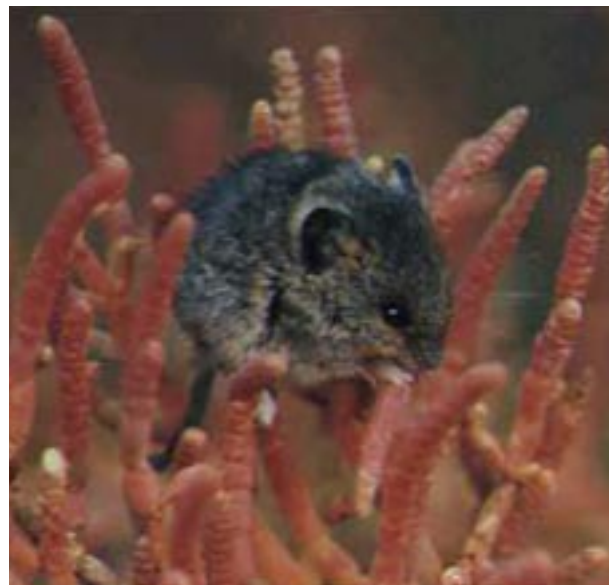


Protecting San Francisco Bay

By meeting a rigorous set of environmental standards and regulations through state-of-the-art operations and scientific studies, the San Jose/Santa Clara Water Pollution Control Plant was granted another five-year discharge permit from the Regional Water Quality Control Board. The Plant, which discharges tertiary treated effluent into San Francisco Bay near Coyote Creek, is one of the largest advanced treatment facilities in the world. It processes water from San Jose, Santa Clara and several other South Bay communities.

Protecting our Endangered Species

In 1998-99, the City of San José met for the first time state requirements to reduce the discharge of treated wastewater into San Francisco Bay to below 120 million gallons per day. Otherwise, the habitat of two endangered species – the California Clapper Rail and the Salt Marsh Harvest Mouse – is converted from a salt-water marsh to a freshwater marsh. City residents and business owners helped us reach this goal by installing 44,000 ultra-low flush toilets and by supporting the use of recycled water for irrigating large turf areas including golf courses, business parks, schools, parks and other public facilities.



The Guadalupe River Park Drainage Project

San Jose took a big step forward on the Guadalupe River Project, a combined flood control and wildlife habitat protection effort. Guadalupe River Park will eventually stretch from the Airport south to Highway 280, providing trails and other public uses while it protects our downtown area from flooding.

An agreement among ten separate agencies to build an underground culvert, will protect against flooding by diverting heavy river flows past vulnerable areas of the downtown. At the same time, but maintaining the river flow above ground, precious wildlife habitat is preserved. The agreement broke through a major environmental roadblock and will lead to completion of the park by 2003.

When this third phase of the project, estimated to cost nearly \$196 million, is completed, it will improve safety to residents and business during the rainy season, while preserving this enriching natural environment through the core of our City.

Rancho Cañada De Oro

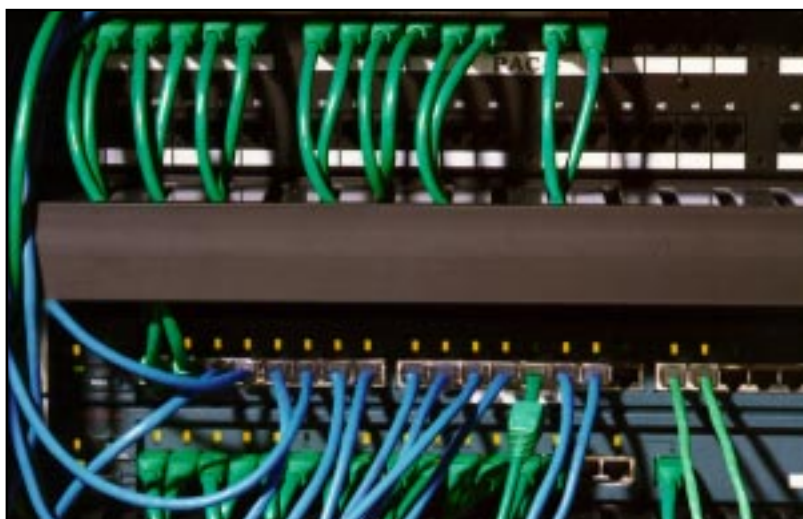
A significant commitment to our region's open space preserve was made this spring, when the City of San José joined with Santa Clara County and the Santa Clara County Open Space Authority in agreeing to help purchase the Rancho Cañada de Oro property.

The three entities together will contribute over half the funds to allow the Peninsula Open Space Trust to purchase the 2,428-acre property. This ranch property is located partially in the City of San José on both sides of Casa Loma Road and adjacent to Calero County Park. The property is being purchased for use as open space and a connecting link in developing the 400-mile long Bay Area Ridge Trail.

The Santa Clara County Open Space Authority was established to preserve land of outstanding scenic, recreational and agricultural importance in the southern half of Santa Clara County. Roughly 20 percent of the

Authority's revenues are reserved for use by participating jurisdictions like the City to supplement their open space efforts. The non-profit Open Space Trust got the option to purchase the property for \$6,200,000 last November, and the City is putting up \$1,000,000 of the necessary funds - \$200,000 from the Construction and Conveyance Tax Fund and \$800,000 from the City's share of the Authority's 20% Funding Program.





Using Technology to Provide Better Service

Preparing for Y2K

Website Improvements

Accessibility Online

7

Using

TECHNOLOGY

KNOWN ACROSS THE COUNTRY AND AROUND THE GLOBE FOR BEING ON THE CUTTING EDGE OF TECHNOLOGICAL ADVANCES, THE SILICON VALLEY IS AN UNDISPUTED LEADER IN ANYTHING HIGH-TECH. IT IS IMPORTANT FOR THE CITY OF SAN JOSE TO KEEP PACE WITH OUR NEIGHBORS IN THIS DYNAMIC SETTING.



Using Technology to Provide Better Service

San Jose made great strides in its use of technology over the past year. The City website, which provides ready access to information on many departments, has been upgraded and in some areas, customer service is now available online. Computer systems have been upgraded, and with the Year 2000 approaching, we have tested and upgraded our computer equipment and embedded systems to make sure City services continue uninterrupted as we welcome in the new century.



Preparing for Y2K

The City has dedicated significant resources to ensure we will be ready to make a smooth transition to the Year 2000. More than \$10 million has been allocated for Y2K compliance issues, with \$6 million designated for the Airport alone.

Striving to make the City completely Year 2000 compliant, our Y2K Task Force made tremendous progress during the past fiscal year. The group's work focused on four primary areas - computer systems, embedded systems/chips, business continuation planning, and public information.

The City's 160 computer systems and 150 applications computers/servers have all been inventoried and inspected, resulting in the repair, upgrading, replacement, or retirement of equipment which posed Y2K problems. Major elements of this project included replacing the City's payroll system and upgrading the financial management system. More than 2,500 items with embedded chips - such as the Fire Department's portable defibrillators, access systems, and vehicles in the City's fleet - were also assessed and modified as necessary.

Contingency plans have been developed to ensure the City's smooth operation in the event of Y2K problems caused by external sources, such as the utility grid or other utilities. This preparation included installing power generators and other equipment at vital locations, along with planning and training exercises that ensure each employee is fully aware of his or her role in an emergency situation. City employees, as well as residents and local business operators, are included in our public education program, with special information created to keep them informed about how to prepare for Y2K at their worksites and in their homes.

Plans are also in place to closely monitor City operations on December 31 and during the first few days of the new year. The City will activate its Emergency Operations Center on December 31 to establish a single point of response and information should Y2K issues arise. Inspections of municipal facilities are scheduled for January 1 and 2.

PeopleSoft

One significant system upgrade was the replacement of the City's older payroll and human resource information systems which was replaced with the enterprise software system PeopleSoft. By moving from separate and incompatible systems to an integrated database, the foundation was laid for improved information management.

This project was phased in to allow for meeting Y2K compliance requirements. The second phase will expand the database to include automation of training class registrations, a new online job application system, and automation of the timekeeping process.

The new system sets the stage for a lot of administrative improvements. It will allow streamlined processing of administrative transactions and enhanced accessibility to human resource management information for line managers.

Once the "work flow" components of the system are implemented, many of the cumber-

some paper processes related to hiring, employee benefits and timekeeping will be handled electronically. Citywide, there will be fewer administrative tasks to distract employees and managers from their direct service tasks.

The PeopleSoft system will also provide the technological basis for the City of San José to further advance its Civil Service Reform efforts. Recruiting that is currently done on the City's Internet site, in the near future, will include an online job application system.

Hazardous Materials Website

To assist the business community in quickly accessing required fire and life safety codes and ordinances, the Fire Department added a Hazardous Materials Division (HazMat) section to its website. The site provides guidelines and information forms, and one can download a copy of the San Jose



Fire Code, or specific ordinances, such as the hazardous materials or toxic gas ordinance, or find links to County information and other related sites.

Customer feedback to date has been very complimentary, and the Department is continuing to look at ways to expand this service to the public, and business and regulatory communities.

Other Website Improvements

As more and more people turn to the Internet as a resource for important information, the City is responding.

The Airport's improved website provides faster, more efficient information and service

The San Jose Public Library initiated its new website in the Spring, making it easier for people to access many Library resources. Online customers can browse the Library's catalog of books, CDs, videos, instructional kits and audio books. They can check their own library card records for due dates on borrowed items, fines owed and status of requests for reserved materials.

This computer system conversion caps years of research, preparation and planning. Future plans also call for web access to informational databases, magazines and newspapers, self-placement of holds and renewals via the web and enhanced language capabilities to support non-English languages.

The Department of Planning, Building & Code Enforcement implemented an online



to local customers. All types of Airport-related information is now available online including flight schedules, airport maps, information about on-site services, driving directions, parking information and links to airlines.

tracking system during the fiscal year that provides information about the status of developments. The system allows anyone interested in a particular project to find its current status in the planning process, and the

site also provides a listing of projects by Council district.

The Office of Economic Development received an Award of Excellence for its new website by the American Economic Development Council. The site allows the Department to easily distribute information to businesses, developers, commercial real estate brokers and others needing economic development information. Users can now find information about the Department's different programs and services, press information and links to other useful sites online.

Accessibility Online

Through the efforts of the Office of Equality Assurance, San Jose continues to be a national leader in ensuring that web design remains accessible to people with disabilities.

The City received the League of California Cities Grand Prize for Excellence and our web standard has been promoted as a "best practice" by the U.S. General Services Administration. A growing number of local and international governments have adopted our accessible web standard, contributing to the City's international reputation as a "Digital City."

This year, Attorney General Janet Reno pointed to San Jose's web accessibility standard as a resource for the federal self-evaluation of web sites. In addition, the Attorney General for the country of Australia cited the work of the Office of Equality Assurance and directed the Australian Human Rights and Equal Opportunity Commission to report on the impact of electronic commerce on the elderly and people with disabilities.

This year the White House convened the first national conference on the impact of the Digital Economy and commissioned San Jose's Disability Access Coordinator to present a groundbreaking paper, "The Growing Digital Divide in Access for People with Disabilities: Overcoming Barriers to Participation." Highlighting the City's web accessibility effort and the role of the City Disability Advisory Commission, the paper has now been re-published

for the World Economic Development Congress. The Office of Equality Assurance continues to monitor the development of web design tools and to provide guidance to City departments on web design compliance.

Investing in Results

San Jose's Partnership for Service Delivery





Investing in Results

Electric Vehicles Maintenance

Street Landscape Services

8

Increasing

EFFICIENCY

FOR THE EMPLOYEES OF THE CITY OF SAN JOSE, THE GOAL IS NOT SIMPLY TO WORK HARDER, BUT TO WORK SMARTER. BY WORKING SMARTER, WE CAN PROVIDE OUR RESIDENTS AND BUSINESSES WITH THE BEST SERVICE AT THE MOST REASONABLE COST.

SAN JOSE HAS LONG BEEN COMMITTED TO PROVIDING BOTH EXCELLENT CUSTOMER SERVICE AND A MULTITUDE OF DIVERSE SERVICES. WE RECOGNIZE THE PUBLIC WANTS US TO BE ACCOUNTABLE FOR PROVIDING THESE SERVICES IN THE MOST COST-EFFECTIVE MANNER. AND WE SHARE THIS GOAL.

Investing in results

Over the past several years, the City has undertaken a number of initiatives to improve how we deliver services. Many of the best practices from these efforts have now been integrated into a single Citywide effort called *Investing in Results*, that is changing the fundamental way we do business.

While as an organization, we have always been committed to providing excellent customer service and high-quality, cost-effective services, we have not always been able to clearly communicate how well we are meeting our goal. By using some of the tools in performance-based budgeting and public-private competition, we will be better prepared to answer some basic, yet very important questions.

First, we will know if we are doing the right work. Are the services we are providing today the ones that our customers still want and need? Second, we will know if we are doing the work right. Are we getting the results we want? How do we know? Third, we will know if we can do the work better. Can we improve our results? If so, how?

We believe *Investing in Results* will fundamentally change the way we go about doing the public's business, because it will provide us with that most vital piece of information – a mechanism for measuring our success in delivering services. Our efforts to become the most efficient customer-driven organization possible continue on many fronts.

Electric Vehicles

By evaluating strengths in delivering services, the City has shown it can provide services to customers both inside and beyond its borders.

This year the City of San José became a service provider for Toyota Motor Corporation's RAV4 electric vehicles. As a service provider, the City performs maintenance and repair on the entire fleet of RAV4 electric vehicles in Northern California.

In this case of public-private competition, the City's Fleet Management was able to offer the highest-quality service at the best price.

Like most of today's standard vehicles, alternate-fuel vehicle technology is sophisticated and requires extensive training for repair and maintenance. During the past year, our Fleet Management technicians were trained in electric vehicle and compressed natural gas technology.

This is an exciting opportunity for the City to be at the forefront of environmentally friendly technology – not to mention a milestone, being selected as a regional service provider for a private company.



Street Landscapes Unit

Another example of working smarter can be seen in the Department of Streets & Traffic's Landscape Program.

The Program's mission is to "provide and maintain safe and aesthetically pleasing streetscapes citywide."

The Landscape Program staff analyzed its customers and its priorities to come up with the best plan for achieving its mission – and maintaining the 159 acres (442 parcels) of landscape throughout the City.

Before going through this analytic self-exam, which is a key element of the *Investing in Results* process, employees in the Landscape Program spent most of their time cleaning up trash and weeds, and responding to complaints — and not enough time focusing on scheduled maintenance.



Once they realigned their priorities, the number of landscape properties in good condition increased.

Every quarter, landscape crews rate the condition of landscape parcels on a scale of one to five, with five being best. In 1996-97, just 46% of landscape parcels were reported in good condition, defined as scoring a four or better. After the Landscape Program implemented its new priorities in 1997-98, that number improved to 54%. In 1998-99, the number of landscapes in good condition jumped to 70%.

By focusing on scheduled maintenance and working smarter, the Landscape crews made better progress in accomplishing their mission – keeping landscapes safe and aesthetically pleasing – and at the same time saw the number of complaints dramatically decline.

Roadway Markings Team

The Roadway Markings Team in the Department of Streets and Traffic also improved its services after going through the *Investing in Results* process.

The Markings Team won a public-private competition to deliver roadway markings services for the City. Over the past year, the team stepped up its focus on delivering high-quality, cost-effective services to customers – the traveling public.

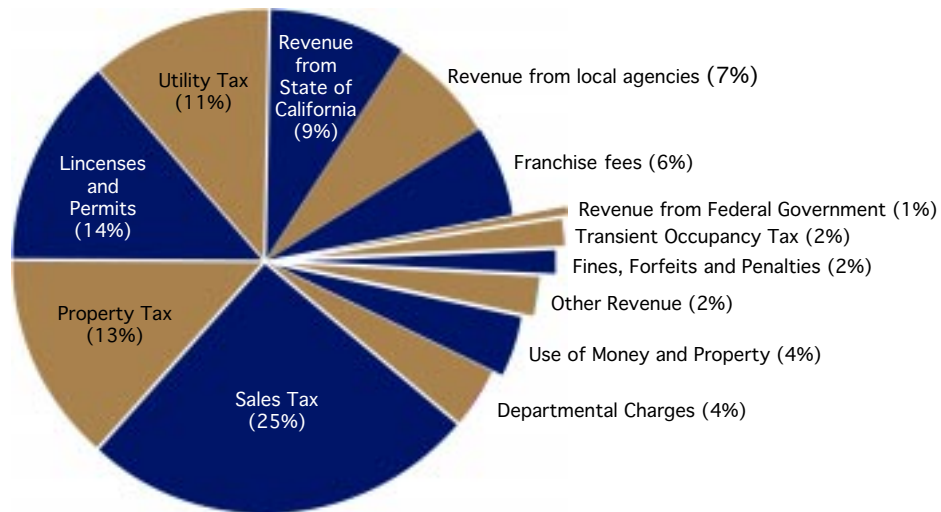
As a result, the Markings Team effected a \$73,000 cost savings to the City's General Fund and completed 34% more stripes and markers on the roadway than projected. The team also exceeded all its requirements for timeliness of response, and met quality goals.

In preparation for the competition process, the Markings Team redesigned equipment, began using longer-life paint, and reorganized work efforts to focus on preventive maintenance. During 1998-99, the team achieved higher productivity and lower net unit costs by reviewing performance on a daily basis. This allowed the staff to identify other opportunities to maximize production and minimize preparation and travel time.

These efforts are paying off in more than cost savings and productivity gains. More and more often, roadway markings are installed on schedule, rather than in response to a complaint from the public.

FINANCIAL HIGHLIGHTS

General Fund Sources



Total General Fund Sources (FY 1998-99 actuals): \$691,847,332

FY 1998-99 Source of Funds (Actuals)

General Fund

PROPERTY TAX	\$ 64,820,891
SALES TAX	\$ 123,306,029
TRANSIENT OCCUPANCY TAX	\$ 7,289,695
FRANCHISE FEES	\$ 27,478,743
UTILITY TAX	\$ 55,067,123
LICENSES AND PERMITS	\$ 64,929,780
FINES, FORFEITS AND PENALTIES	\$ 9,020,878
USE OF MONEY AND PROPERTY	\$ 17,874,719
REVENUE FROM LOCAL AGENCIES	\$ 33,519,340
REVENUE FROM STATE OF CALIFORNIA	\$ 43,457,170
REVENUE FROM FEDERAL GOVERNMENT	\$ 2,910,039
DEPARTMENTAL CHARGES	\$ 19,267,806
OTHER	\$ 11,859,761
PRIOR YEAR FUND BALANCE	\$ 147,802,925
TRANSFERS AND REIMBURSEMENTS	\$ 63,242,433
TOTAL	\$ 691,847,332

FINANCIAL HIGHLIGHTS (cont.)

Capital Project Funds

- Funds that are reserved for capital development of long-term City assets such as buildings and parks.

FUND BALANCES	\$ 366,538,106
LOANS AND TRANSFERS	\$ 115,953,251
STATE REVOLVING FUND LOANS	\$ 73,566,018
CONSTRUCTION AND CONVEYANCE TAX	\$ 26,411,235
CONSTRUCTION EXCISE TAX	\$ 15,972,363
OTHER	\$ 62,137,987
TOTAL	\$ 660,578,960

Special Revenue Funds -

Revenue restricted to specific uses.

COMMUNITY DEVELOPMENT BLOCK GRANT	\$ 31,912,855
CONVENTION AND CULTURAL AFFAIRS	\$ 19,566,344
GAS TAX	\$ 16,561,701
HOUSING	\$ 71,173,957
INTEGRATED WASTE MANAGEMENT	\$ 74,880,640
INTERNAL SERVICES	\$ 61,156,697
SPECIAL ASSESSMENTS	\$ 18,603,395
STORM SEWER OPERATING	\$ 17,578,708
TRANSIENT OCCUPANCY TAX	\$ 13,868,566
OTHER	\$ 19,061,096
TOTAL	\$ 344,363,959

Enterprise Funds -

Funds that are operated as business entities, where the revenues collected for the service are used to recover the cost of providing the service.

AIRPORT	\$ 219,043,344
WASTE WATER TREATMENT PLANT	\$ 254,870,993
MUNICIPAL WATER	\$ 23,018,787
PARKING	\$ 15,640,747
TOTAL	\$ 512,573,871

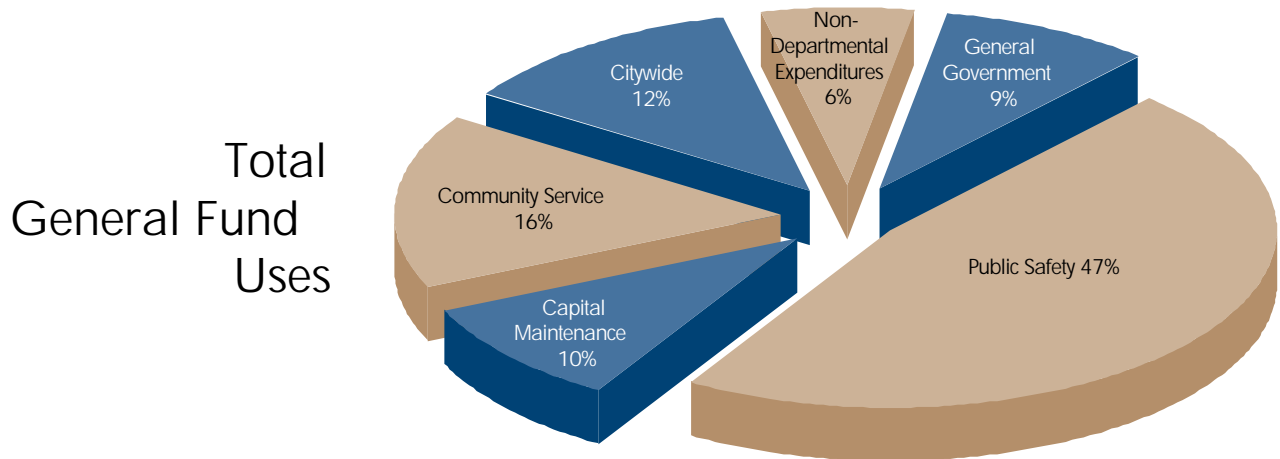
TOTAL SOURCE OF FUNDS (GROSS)	\$ 2,209,364,122
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LESS INTERFUND TRANSFERS	\$ 378,657,332
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TOTAL SOURCE OF FUNDS (NET)	\$ 1,830,706,790
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FINANCIAL HIGHLIGHTS (cont.)

General Fund Uses



FY 1998-99 actuals:

\$ 555,294,000

FY 1998-99 Use of Funds (Actuals)

General Fund

General Government

MAYOR AND COUNCIL	\$ 4,312,000
CITY ATTORNEY	\$ 8,705,000
CITY AUDITOR	\$ 1,720,000
CITY CLERK	\$ 1,426,000
CITY MANAGER	\$ 4,633,000
OFFICE OF EQUALITY ASSURANCE	\$ 789,000
FINANCE	\$ 9,114,000
INFORMATION TECHNOLOGY	\$ 12,657,000
HUMAN RESOURCES	\$ 3,890,000
REDEVELOPMENT AGENCY	\$ 1,254,000
PLANNING COMMISSION	\$ 34,000
CIVIL SERVICE COMMISSION	\$ 19,000
INDEPENDENT POLICE AUDITOR	\$ 350,000
OFFICE OF ECONOMIC DEVELOPMENT	\$ 2,153,000
ENCUMBRANCES	\$ 2,395,000
TOTAL	\$ 53,451,000

FINANCIAL HIGHLIGHTS (cont.)

Public Safety

FIRE	\$ 82,368,000
POLICE	\$ 167,492,000
ENCUMBRANCES	\$ 2,431,000
TOTAL	\$ 252,291,000

Capital Maintenance

GENERAL SERVICES	\$ 14,251,000
STREETS AND TRAFFIC	\$ 25,889,000
PUBLIC WORKS	\$ 9,149,000
ENCUMBRANCES	\$ 2,425,000
TOTAL	\$ 51,714,000

Community Service

LIBRARY	\$ 17,343,000
PLANNING, BUILDING & CODE ENFORCEMENT	\$ 23,021,000
PARKS, RECREATION & NEIGHBORHOOD SERV.	\$ 37,489,000
ENVIRONMENTAL SERVICES	\$ 1,628,000
CONVENTIONS, ARTS & ENTERTAINMENT	\$ 9,318,000
ENCUMBRANCES	\$ 2,668,000
TOTAL	\$ 91,467,000

Citywide

INSURANCE, BENEFITS & CLAIMS	\$ 18,085,000
CONTRACTUAL SERVICES	\$ 5,378,000
GRANTS AND SUBSIDIES	\$ 11,133,000
OTHER OPERATING EXPENSES	\$ 34,352,000
ENCUMBRANCES	\$ 8,560,000
TOTAL	\$ 77,508,000

FINANCIAL HIGHLIGHTS (cont.)

Non-Departmental Expenditures

CAPITAL EXPENDITURES	\$	13,179,000
TRANSFERS TO OTHER FUNDS	\$	9,639,000
ENCUMBRANCES	\$	6,045,000
TOTAL	\$	28,863,000

TOTAL GENERAL FUND USES	\$	555,294,000
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Special Funds

Capital Project Funds

- Reserved for capital development of long-term City assets such as buildings and parks.

AIRPORT	\$	66,734,079
SANITARY SEWERS	\$	48,324,922
TRAFFIC	\$	75,934,513
WATER POLLUTION CONTROL PLANT	\$	43,048,741
OTHERS	\$	87,162,551
TOTAL	\$	321,204,806

FINANCIAL HIGHLIGHTS (cont.)

TOTAL SPECIAL FUND USES

\$ 1,178,142,636

TOTAL USE OF FUNDS (GROSS)

\$ 1,733,436,636

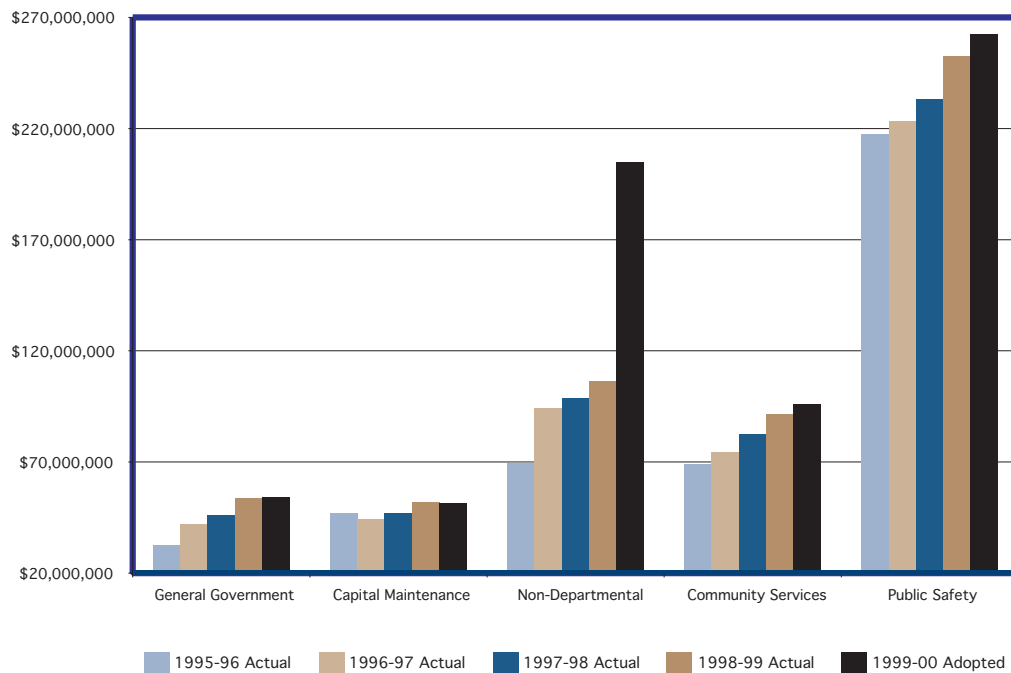
LESS INTERFUND TRANSFERS

\$ 378,657,332

TOTAL CITY USE OF FUNDS (NET)

\$ 1,354,779,304

Comparison of Annual General Fund Use



Five year comparison (FY 1995-96 to FY 1999-00) of General Fund use by program area.

Roster of CITY OFFICIALS

MAYOR AND CITY COUNCIL

RON GONZALES MAYOR

LINDA LE ZOTTE CITY COUNCIL DISTRICT 1

CHARLOTTE POWERS CITY COUNCIL DISTRICT 2

CINDY CHAVEZ CITY COUNCIL DISTRICT 3

MARGIE MATTHEWS CITY COUNCIL DISTRICT 4

MANNY DIAZ CITY COUNCIL DISTRICT 5

FRANK FISCALINI CITY COUNCIL DISTRICT 6

GEORGE SHIRAKAWA, JR. CITY COUNCIL DISTRICT 7

ALICE WOODY CITY COUNCIL DISTRICT 8

JOHN DIQUISTO CITY COUNCIL DISTRICT 9

PATRICIA DANDO CITY COUNCIL DISTRICT 10

COUNCIL APPOINTEES

JOAN GALLO CITY ATTORNEY

SUSAN SHICK REDEVELOPMENT AGENCY EXEC. DIR.

GERALD SILVA CITY AUDITOR

PAT O'HEARN CITY CLERK

TERESA GUERRERO-DALEY, INDEPENDENT POLICE AUDITOR

CITY MANAGER

DEL D. BORGS DORF CITY MANAGER

DEBRA FIGONE ASSISTANT CITY MANAGER

DARRELL DEARBORN SR. DEPUTY CITY MANAGER

LYNN MACY DEPUTY CITY MANAGER

KAY WINER DEPUTY CITY MANAGER

CYNTHIA BOJORQUEZ ASST. TO THE CITY MANAGER

JENNIFER MAGUIRE ASST. TO THE CITY MANAGER

BETSY SHOTWELL ASST. TO THE CITY MANAGER
INTERGOVERNMENTAL RELATIONS

PAMELA JACOBS ASST. TO THE CITY MANAGER
QUEST PARTNERSHIP

TOM MANHEIM PUBLIC OUTREACH MANAGER

Roster of CITY OFFICIALS

SENIOR STAFF

LARRY LISENBEE	BUDGET OFFICE DIRECTOR
LESLIE PARKS	ECONOMIC DEVELOPMENT DIRECTOR
FRANNIE WINSLOW	EMERGENCY SERVICES DIRECTOR
ALEX GURZA	EMPLOYEE RELATIONS INTERIM MANAGER
NINA GRAYSON	EQUALITY ASSURANCE DIRECTOR
ED OVERTON	RETIREMENT ADMINISTRATOR
RALPH TONSETH	AIRPORT DIRECTOR
NANCY JOHNSON	CONVENTIONS, ARTS & ENTERTAINMENT DIRECTOR
CARL MOSHER	ENVIRONMENTAL SERVICES DIRECTOR
JOHN GUTHRIE	FINANCE DIRECTOR
WILLIAM STAPLES	FIRE DEPARTMENT ACTING CHIEF
STEVE YOSHINO	GENERAL SERVICES DIRECTOR
ALEX SANCHEZ	HOUSING DIRECTOR
NONA TOBIN	HUMAN RESOURCES DIRECTOR
KEN PHILLIPS	INFORMATION TECHNOLOGY DIRECTOR
JANE LIGHT	CITY LIBRARIAN
MARK LINDER	PARKS, RECREATION & NEIGHBORHOOD SERVICES DIRECTOR
JAMES DERRYBERRY	PLANNING, BUILDING & CODE ENFORCEMENT DIRECTOR
WILLIAM LANSDOWNE	CHIEF OF POLICE
RALPH QUALLS	PUBLIC WORKS DIRECTOR
WAYNE TANDA	STREETS & TRAFFIC DIRECTOR

ANNUAL PERFORMANCE REPORT 1998-99

PRODUCED BY THE OFFICE OF THE CITY MANAGER,
CITY OF SAN JOSE

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